

**Commonwealth of Virginia  
Virginia Department of Social Services  
Office of the Commissioner  
7 N. 8<sup>th</sup> St.  
Richmond, VA 23219**

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**Commissioner's Memo No. 001**

**DATE:** August 31, 2007  
**TO:** Directors of Local Departments of Social Services  
**FROM:** Anthony Conyers Jr.

Directors,

This memorandum is the first of a regular communication you will be receiving from me. My intention is to provide more information and perspective on some of the policies that are important to you as leaders of local departments.

Memo No. 001 will address:

- ) [Medicaid citizenship and identity requirements](#)
- ) [The 2005 Deficit Reduction Act: \\$25 child support fee, passport denial](#)

I believe that open communication is key to ensuring that our messages are shared in a clear, constant, and consistent manner. A special section has been developed on the VDSS Public site ([www.dss.virginia.gov](http://www.dss.virginia.gov)) where each of these memoranda will be published. I encourage you to share this site with your local partners, board members and other constituencies.

Thank you for your committed work, and I invite your comments and suggestions.

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**Impact of Medicaid Citizenship and Identity Requirements**

The Medicaid Citizenship and Identity Requirements is greatly impacting departments of social services in our Commonwealth and across the country. Now that citizenship must be proven as a requirement for Medicaid eligibility, more people are relying on their local departments to help them navigate this process. And, while the citizenship and identity requirements were intended to ensure that resources for legal residents would be preserved, these intended recipients are facing greater obstacles in obtaining their Medicaid benefits. Eligible individuals continue to experience difficulties in securing needed documentation.

Recent figures from the Department of Medical Assistance Services (DMAS) indicate that children are increasingly vulnerable because of the requirements. Virginia's

FAMIS PLUS and SCHIP Medicaid Expansion experienced a net reduction of 9,527 children between July 1, 2006 (the date of implementation) and June 30, 2007. Conversely, FAMIS, which is not currently impacted by citizenship and identity requirements, reported an increase of 3,818 children to its program during the same time period.

Parents who participated in a survey by the Virginia Health Care Foundation cited an approximate four month delay in obtaining Medicaid benefits for their children. During this wait, 65% of non-insured children with a pending Medicaid application needed medical attention, with many parents opting for emergency room visits.

While localities grapple with an ever-increasing demand for services with finite resources, it is critical that social services professionals continue the important work of helping clients who have the right to Medicaid benefits obtain them – and reminding public officials of the unintended fallout impacting many of the youngest and most vulnerable people in our communities.

#### **The Deficit Reduction Act (DRA) and child support enforcement**

The 2005 Deficit Reduction Act is impacting child support enforcement in two ways. Effective October 1, 2007, all states are mandated by the federal government to deduct an annual fee of \$25 when at least \$500 has been collected on a child support enforcement case. Failure to comply would result in the loss of \$55 million in federal funding for Virginia's child support enforcement services.

The Division of Child Support Enforcement (DCSE) will collect this fee from the custodial parent since fees charged to non-custodial parents (NCPs) can only be collected after current and past-due child support has been paid. The fee will only be assessed on custodial parents who have never received public assistance.

While states did not have a choice in the matter, Virginia has been proactive in its communication. Notices have been sent to custodial parents in the child support caseload, and DCSE officials have worked with statewide media outlets to disseminate the information.

Some parents have expressed concerns about the fee. Putting the cost in perspective, it is approximately \$2 per month, and very nominal when the legal and financial services that are provided by VDSS are considered. We encourage parents to call the DCSE Customer Services Call Center at 1-800-468-8894 for further explanation.

One of the more positive aspects of the DRA is that the threshold of the Passport Denial Program has been lowered from \$5,000 to \$2,500. Given the heightened

requirements for passports, the passport denial tool will play a more important role in collecting past-due child support. This year alone, passport denial has resulted in \$1/4 million in delinquent child support collected, and has made 88,500 Virginians ineligible for a passport.

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**Commissioner's Memo No. 002**

**DATE:** October 3, 2007  
**TO:** Directors of Local Departments of Social Services  
**FROM:** Anthony Conyers Jr.

Directors,

Following are the topics contained in this Memorandum:

- [Budget Cuts](#)
- [Protective Investigations](#)
- [Consultative Services](#)
- [Reasonable Candidacy Guidelines](#)

**Budget Cuts**

On Monday, Governor Kaine released his plan to address the Commonwealth's \$641 million revenue shortfall. The announcement included state agency savings and spending reductions of \$300 million and additional steps he will take to address the revenue shortfall in the current budget period (FY08), which ends on June 30, 2008. The Governor's decisions, based on agency proposals to trim government spending from 5 to 7 percent, protect core services in public education, public safety and public health.

The unexpected decrease in the Temporary Assistance for Needy Families (TANF) caseload resulted in the FY08 budget cuts having a less significant impact on our reductions with a few exceptions:

- At the state level, there will be a 5 percent cut in central administration totaling more than of \$1 million.
- There were no reductions to the 120 local departments of social services; however, the General Relief total allocation was reduced to FY07 spending levels. This should not impact local operation of the General Relief program as the original FY08 allocations were built on prior year spending.
- Where possible, TANF funds were substituted for general fund support for eligible activities.
- Additional 5 percent adjustments were made in budget lines for non-mandated programs.

The complete 2008 Budget Reduction Plan may be found at  
<http://www.governor.virginia.gov/TempContent/2008BudgetReductionPlan10-01-2007.pdf>  
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## **Protective Investigations**

Local departments of social services (LDSS) go through extraordinary lengths to ensure the safety of children and adults, who have suffered abuse, neglect and exploitation. Protecting these persons from further harm is a cornerstone of our mission. Any lapse in adhering to correct procedure during the investigation process could prevent those responsible for the abuse or neglect from being held fully accountable and may put the abused or neglected individuals and families once more in harm's way.

Thank you for your continued commitment to observing all technical and procedural requirements in investigating and presenting these cases. Cases have been reversed when these investigative procedures are not followed, even when the facts would have required upholding the decision. Through the careful and strict adherence to all investigation-related guidance, you and your workers ensure that the time and efforts dedicated to protecting our clients is never spent in vain.

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## **Consultative Services**

The policies and procedures that govern social services can be complex enough to require additional expertise and technical assistance. VDSS' responsibility is to work directly with you and your staff to provide this guidance upon necessity and request.

Private contractors may offer you similar consultative services; in so doing, they are operating independently of VDSS. Providing accurate and consistent technical assistance to all 120 local departments is VDSS' commitment. However, it would be impossible for us to ensure the accuracy of this information if a variety of private entities were the conduit for it. All requests for guidance must come directly from you as local departments, not a hired consultant.

In fact, direct contact between VDSS and a consultant working on behalf of one or more local departments may implicate both the State and Local Government Conflict of Interest Act and the Virginia Public Procurement Act. If VDSS were to share information with any particular vendor, this contractor could have an unfair competitive advantage over another.

Similarly, the training that the Department provides, free of charge, is done to ensure consistent implementation of policies and procedures that impact our workforce and clients. An independent contractor attending these trainings is obtaining access to information and practices that may provide him or her with a competitive advantage. Therefore, training is limited to employees of local departments.

The quality of VDSS' customer service and technical assistance is as important to me as it is to you and your staff. The Department will continue to strive to meet your needs. Should you choose to augment our guidance with that of a particular contractor, please be mindful that your arrangement will be entirely outside of the purview of VDSS.

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## **Reasonable Candidacy**

Title IV-E reimbursement is allowed for administrative activities performed on behalf of children deemed to be a reasonable candidate for foster care regardless of whether these children are actually placed into foster care and become recipients of Title IV-E foster care maintenance payments.

[Broadcast 4378](#) announced the issuance of the Reasonable Candidacy Program Manual and its documentation form. These provide detailed guidance on federal and state regulations and policies which allow VDSS to claim Title IV-E administrative cost reimbursements on behalf of LDSS for reasonable candidates for foster care. I hope that you will find the Manual an excellent resource for you and your child welfare workers.

Keeping our Title IV-E record in good standing will be a team effort. Please be reminded that only LDSS employees- not contracted persons- are authorized to make the determination of reasonable candidacy for foster care.

The administrative costs for children determined to be reasonable candidates are claimed through the Random Moment Sampling (RMS) observation process. RMS observations are used to document the specific program activity in which one of your workers is engaged at a randomly selected moment in time. For RMS refresher training, please see [Broadcast 4484](#).

For children who have been determined a reasonable candidate for foster care, VDSS, after applying the Title IV-E penetration rate, can claim 50 percent federal financial participation (FFP) for allowable administrative costs on behalf of your department.

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**Commissioner's Memo No. 003**

**DATE:** October 23, 2007  
**TO:** Directors of Local Departments of Social Services  
**FROM:** Anthony Conyers Jr.

Directors,

Following are the topics contained in this Memorandum:

- [Budget Cuts](#)
- [Local Review Team Update](#)

**Budget Cuts – General Relief Correction**

In Commissioner's Memorandum #2 dated October 3, 2007, I unintentionally created confusion related to the impact to local departments of the Governor's budget reductions. One of the budget related points in my earlier memorandum indicated the following:

- There were no reductions to the 120 local departments of social services; however, the General Relief total allocation was reduced to FY07 spending levels. This should not impact local operation of the General Relief program as the original FY08 allocations were built on prior year spending.

The allocations were, in fact, built on FY07 spending. However, the entire appropriation was allocated in our local budget development process as local budgets were developed prior to the announcement of the budget reduction strategies. More accurately, local funding for General Relief will be reduced to FY07 expenditure levels. Division of Finance and Benefit Programs staff are finalizing locality allocations. The changes will be reflected in LASER by the end of the week.

**Local Review Team Update**

[Broadcast 4217](#) issued on April 20, 2007 announced the establishment of the DSS Local Review Team. We have not been able to move as quickly into this process as desired. However, we have completed a small number of reviews. I wanted to take this opportunity to highlight a couple of issues encountered during these reviews.

- **Claiming rent and/or facility costs.** In two of six reviews we found this to be a troublesome area. In one case, claims were made for rental space that was not

occupied by staff delivering social services. This is not an allowable charge. In the second, a locality had been advised they could charge rent for locally-owned space by their county attorney. When asked for supporting documentation, the locality agreed to reimburse costs claimed. This is an area that requires improved and updated guidance to identify appropriate charges. Our objective is to get things straight going forward and not review past erroneous administrative practices. We need improvement in this area and will soon issue updated guidance via the LASER Manual. Once this guidance is issued, please review your local process for claiming facility-related costs to ensure you comply.

- **Claiming local central services costs.** These costs are reimbursed annually in the spring by DSS. The locality in question had been claiming these costs monthly by inflating their salary costs and then attempting to adjust their annual claims by a similar amount. I wanted to highlight this issue as we understand this practice was suggested to the locality by their local audit firm. These costs should be reimbursed through the annual reimbursement process.

Moving forward, we will provide updates to you in the interest of improving the integrity of our social services delivery system. Please contact your Regional Administrative Manager or a member of the Local Review Team if additional information is required or desired related to these issues.

These memoranda may also be found on the VDSS public Web site at <http://www.dss.virginia.gov/division/co/memos.cgi>.

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**Commissioner's Memo No. 004**

**DATE:** November 20, 2007  
**TO:** Directors of Local Departments of Social Services  
**FROM:** Anthony Conyers Jr.

Directors,

Memo #004 addresses **Service "Pass Through" Funding for Local Departments of Social Services**.

During the League meeting in Harrisonburg, staff members of the Virginia Department of Social Services were asked to provide an explanation of the further decline in the service "pass through" recovery rate. The information below is designed to be responsive to that request. The document was reviewed by the League Administrative Committee and selected Local Directors. Please contact J. R. Simpson if additional information is required or desired.

Local Departments of Social Services (LDSS) are funded by a combination of federal, state and local funds. These funds are used for benefit payments to clients and for staff and operational expenses to support local department service delivery. Benefit payments are primarily covered with federal and state funds. Funding for local department staff and operations is more complex. These costs are covered by a number of federal grants/programs, state general funds and local funds. Each year, the Virginia Department of Social Services (VDSS) establishes budgets for every LDSS. These budgets are based in large measure on historical spending in local departments and on projections of revenue available through federal grants/programs, general funds and local funds. The actual federal funding source to be charged for these staff and operational expenses depends on the results of random moment sampling (RMS) as costs must be charged to the appropriate "benefiting program".

VDSS distributes all base budget funding available to local departments as part of the annual budget process. When local department funding requirements exceed the level of its base budgets, the LDSS has access to the "pass through" process. The "pass through" process provides access to certain federal funding sources, including all federal entitlement programs. The rate of recovery of "pass through" funds depends on the results of RMS. As program activities in the field deviate from projections, the "pass through" recovery rate will increase or decrease.

Federal regulations affecting reimbursement for foster care prevention have tightened considerably since the last complete rewrite of VDSS's Public Assistance Cost Allocation Plan (PACAP). As the new PACAP was developed, these activities are allocated to comply with the stricter regulations to ensure the appropriate allocation of costs. We recognized this would have an adverse impact on the recovery rate for service "pass through" funds and through various means tried to ensure LDSS were made aware of this as current year budgets were being developed.

Our projection indicated the service "pass through" recovery rate would decline from 24% to 15%. Based on first quarter RMS results, the service "pass through" recovery rate was approximately 11%. We will work to maintain this rate as close to 15% as possible for the current fiscal year. Our ability to do so is limited by the availability of selected block grant funds. However, as local budgets are developed for next fiscal year, please be mindful that an 11% service "pass through" recovery rate is most likely.

We continue to look for opportunities to increase system wide revenue. A recent effort identified to enhance recovery of title IV-E funding and the related service "pass through" recovery rate is for each LDSS to implement the Foster Care Reasonable Candidacy Program. This program was outlined in [Broadcast #4378](#) with pertinent points of contact identified. Please review the program instructions to ensure you are doing all you can to enhance system revenues.

These memoranda may also be found on the public Web site at:  
<http://www.dss.virginia.gov/division/co/memos.cgi>

Thank you for your attention.

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BROADCAST 4378

DATE: July 13, 2007

TO: Local Directors, CPS Supervisors and Staff, Foster Care Supervisors and Staff, Prevention Supervisors and Staff, Adoption Supervisors and Staff, and RMS Coordinators

TIME: 4:24 p.m.

FROM: Lynette Isbell, Director, Division of Family Services

SUBJECT: Reasonable Candidacy Manual

CONTACT: Gary Gerczak at (804) 726-7943 or [gary.gerczak@dss.virginia.gov](mailto:gary.gerczak@dss.virginia.gov)

This broadcast announces the issuance of the [Reasonable Candidacy Program Manual](#) (Manual) and the [Reasonable Candidacy Documentation Form 032-02-0510-00-eng](#). (Form) You may view the Manual and Form by clicking on hyperlinks. They become effective upon issuance of this broadcast.

Title IV-E reimbursement is allowed for administrative activities performed on behalf of children deemed to be a reasonable candidate for foster care regardless of whether these children are actually placed into foster care and become recipients of Title IV-E foster care maintenance payments. The Manual outlines both federal and state regulations and policies which allow the Virginia Department of Social Services (VDSS) to claim Title IV-E administrative cost reimbursement on behalf of local departments of social services (LDSS) for reasonable candidates for foster care through the Random Moment Sample (RMS) observation process.

Meeting reasonable candidacy requirements does not require an eligibility determination. The Manual is to be utilized by LDSS child welfare service workers, and as such, it is expected that reasonable candidacy documentation will be completed by child welfare service workers.

Training sessions will be provided across the state in the upcoming month(s) and an announcement listing the dates and locations will be posted shortly.

Please contact Gary Gerczak, Title IV-E Specialist, at (804) 726-7943 or [gary.gerczak@dss.virginia.gov](mailto:gary.gerczak@dss.virginia.gov) if you have any questions.

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**Commissioner's Memo No. 005**

**DATE:** December 12, 2007  
**TO:** Directors of Local Departments of Social Services  
**FROM:** Anthony Conyers Jr.

Directors,

Memo #005 addresses **VITA Data Center Move December 14-16<sup>th</sup>, 2007.**

During this upcoming weekend, the Virginia Information Technologies Agency (VITA) will be moving from the Richmond Plaza Building in downtown Richmond to a new facility in Chester, Virginia. Below you will find a high level time schedule of the planned events. We would like to bring to your attention the importance of your individual district office or local department's participation this upcoming weekend.

Friday December 14<sup>th</sup>, 2007:

10 AM	VITA and all state agencies confer to ensure we can proceed with the actual cut-over.
NOON	APECS Application will be made unavailable for on line access and batch processing will start
6:00 PM	ADAPT Application will be made unavailable for on line access and batch processing will start.
8:00 PM	All other applications will be made unavailable with the exception of the OASIS application.
Midnight	Target completion time for all batch processing and the OASIS application will be made unavailable.

Saturday December 15<sup>th</sup>, 2007:

4:00AM	Computers/systems will be shut down at the old data center and internet access will be unavailable (this affects staff who use VITA's shared e-mail service as well as black berry service)
4:30 AM	All network connections will be changed to connect to the new data center in Chester, Virginia. In parallel, all of the tapes at the old data center will start being transported to the new data center and made accessible again.

- 4:00 PM Computers/systems should be up and running at the new data center and staff from the Division of Information Systems at the Home Office will start validation of all the data bases, network connections, and checking all the specific VDSS applications
- 7:45 PM VDSS Customer Support Center will be staffed in preparation for end user validation
- 8:00 PM End user (DCSE District offices, local agency staff and home office end users) validation can begin and any problems should be reported to the Customer support center (call 1-800-223-8846 or log a self help desk ticket using <http://magic.dss.state.va.us/magicsshd/> and leave the password blank. We strongly recommend that each agency participate in this validation to ensure that they have established a successful connection to the new data center. **If we don't hear from your individual agency we are making the assumption that all connections are working properly. Please note the following: In the event that the decision is made to revert back to the old data center no data will be retained that is keyed between 4:00AM Saturday and approx. noon on Sunday.** Please use inquiries to validate your connectivity to the new data center or keep track of updates at a detailed level.

Sunday December 16<sup>th</sup>, 2007:

- 6:00 AM Finalize all test results and all agencies will provide a status to VITA to determine if the agency is approving the cut-over weekend.
- 8:00 AM Final GO-NO-GO Decision
- NOON Final fall back decision in case we have to revert back to the old data center.

The voice mail of 1-804-726-7810 will be updated through out the cut-over weekend to provide an overall status to all interested parties. Please note that during this weekend that phone will not be answered.

Please be aware of the down time of our applications which includes all web applications.

These memoranda may also be found on the public Web site at:  
<http://www.dss.virginia.gov/division/co/memos.cgi>

Thank you for your attention.

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**Commissioner's Memo No. 006**

**DATE:** December 19, 2007  
**TO:** Directors of Local Departments of Social Services  
**FROM:** Anthony Conyers Jr.

Directors,

[Commissioner's Memorandum #3](#), dated October 23, 2007, provided information related to Local Review Team activities. One of the items discussed dealt with claiming rent and/or facility costs. At that time, we indicated guidance related to rent and/or facilities costs would be forthcoming via a LASER Manual update. We are now prepared to move forward with the LASER Manual update. A broadcast announcing the availability of the update will be issued tomorrow.

Since this notification was provided in October, Central Office staff members have worked with the League Admin Committee on the guidance, worked directly with several localities on specific space issues in their localities, and gained approval from the State Board to follow the state guideline with the allocation of space in Local Departments of Social Services.

The guidance related to the local space allocation is issued prospectively. It should be adopted and applied to new lease processes or local facility arrangements that commence on or after January 1, 2008. The standard square footage allocation per staff member can be augmented by special needs of Local Departments of Social Services. Please contact your Regional Administrative Manager if additional information is required or desired.

Thank you for your attention.

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